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U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE
Information
Required of Brokers and Dealers
Pursuant to Section 17 of the Securities
Exchange Act of 1934 and Rule 17a-5 Thereunder

SEC FILE NO.

8-20177
53339

REPORT FOR THE PERIOD BEGINNING January 1, 2005 AND ENDING December 31, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

HCA Securities, Inc.

Official Use Only

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:
(Do not use P.O. Box No.)

One SeaGate

(No. and Street)

Toledo

Ohio

43666

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Tonya L. Asmus

419-249-2898

(Area Code—Telephone Number)

B. ACCOUNTANT IDENTIFICATION

PROCESSED

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
(Name—if individual, state, last, first, middle name)

Ernst & Young LLP

NOV 01 2006

THOMSON
FINANCIAL

One SeaGate

Toledo

Ohio

43604

(ADDRESS)

Number and Street

City

State

CHECK ONE:

☒
☐
☐

Certified Public Accountant

Public Accountant

Accountant not resident in U.S. or any of its possessions.

SECURITIES AND EXCHANGE COMMISSION

RECEIVED

SEP 22 2006

BRANCH OF REGISTRATIONS

AND
EXAMINATIONS

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

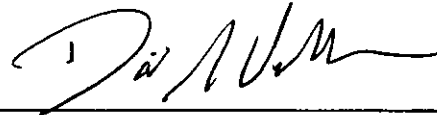
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OATH OR AFFIRMATION

I, David G. Van Hooser, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules, pertaining to the firm of HCA Securities, Inc. as of December 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.



Signature

President

Title

Shiranda M. Church (expires 01/24/2011)
Notary Public

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

HCA Securities, Inc.

Financial Statements

Years Ended December 31, 2005 and 2004

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Report of Independent Registered Public Accounting Firm

The Board of Directors
HCA Securities, Inc.

We have audited the accompanying statements of financial condition of HCA Securities, Inc. (a wholly owned subsidiary of Harbor Capital Advisors, Inc.) as of December 31, 2005 and 2004, and the related statements of operations, shareholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HCA Securities, Inc. at December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other financial information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP

January 19, 2006

HCA Securities, Inc.
Statements of Financial Condition

	December 31	
	2005	2004
Assets		
Cash and cash equivalents	\$2,768,841	\$2,647,683
Accounts receivable	336,399	115,533
Other assets	110,417	128,470
Total assets	<u>\$3,215,657</u>	<u>\$2,891,686</u>
Liabilities and shareholder's equity		
Liabilities:		
Accounts payable and other liabilities	\$ 129,986	\$ 111,230
Accrued fees	317,230	104,235
Income taxes payable	17,268	1,850
Total liabilities	464,484	217,315
Shareholder's equity:		
Common stock, no par value; 1,000 shares authorized, issued and outstanding	10	10
Additional paid-in capital	2,657,591	2,657,591
Retained earnings	93,572	16,770
Total shareholder's equity	<u>2,751,173</u>	<u>2,674,371</u>
Total liabilities and shareholder's equity	<u>\$3,215,657</u>	<u>\$2,891,686</u>

See accompanying notes.

HCA Securities, Inc.
Statements of Operations

	Years Ended December 31	
	2005	2004
Revenues		
Fees – 12b-1	\$ 2,539,442	\$ 919,611
Dividend income	74,774	28,900
Total revenues	<u>2,614,216</u>	<u>948,511</u>
Expenses		
Fees – 12b-1	2,293,502	803,869
Other	198,912	215,540
Total expenses	<u>2,492,414</u>	<u>1,019,409</u>
Income (loss) before provision (credit) for income taxes	121,802	(70,898)
Provision (credit) for income taxes	45,000	(23,612)
Net income (loss)	<u>\$ 76,802</u>	<u>\$ (47,286)</u>

See accompanying notes.

HCA Securities, Inc.

Statements of Changes in Shareholder's Equity

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Shareholder's Equity
Balance at January 1, 2004	\$ 10	\$ 2,657,591	\$ 64,056	\$ 2,721,657
Net loss	-	-	(47,286)	(47,286)
Balance at December 31, 2004	10	2,657,591	16,770	2,674,371
Net income	-	-	76,802	76,802
Balance at December 31, 2005	<u>\$ 10</u>	<u>\$ 2,657,591</u>	<u>\$ 93,572</u>	<u>\$ 2,751,173</u>

See accompanying notes.

HCA Securities, Inc.
Statements of Cash Flows

	Years Ended December 31	
	2005	2004
Operating activities		
Net income (loss)	\$ 76,802	\$ (47,286)
Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(220,866)	(80,969)
Other assets	18,053	(128,470)
Accounts payable and other accrued liabilities	18,756	111,028
Accrued fees	212,995	73,146
Income taxes	15,418	(58,074)
Net cash provided by (used in) operating activities	<u>121,158</u>	<u>(130,625)</u>
Net increase (decrease) in cash and cash equivalents	121,158	(130,625)
Cash and cash equivalents at beginning of the year	2,622,221	2,752,846
Cash and cash equivalents at end of the year	<u>\$ 2,743,379</u>	<u>\$ 2,622,221</u>

See accompanying notes.

HCA Securities, Inc.

Notes to Financial Statements

Years Ended December 31, 2005 and 2004

1. Summary of Significant Accounting Policies

Organization

HCA Securities, Inc (the Company) is a wholly owned subsidiary of Harbor Capital Advisors, Inc., which serves as a broker-dealer and is the principal distributor of certain mutual funds.

Cash Equivalents

The Company considers all short-term investments with a maturity of three months or less at the date of purchase to be cash equivalents.

Revenues

12b-1 income is recognized upon settlement of a transaction at the request of a shareholder. Dividend income is recorded when earned on money market investments.

Federal Income Tax

The Company's results of operations are included in the consolidated federal income tax return filed by Harbor Capital Advisors, Inc. The current provision for federal income tax is determined on the basis of the contribution of the Company to the consolidated taxable income or loss.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management of the Company and Harbor Capital Advisors to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Actual results could differ from those estimates, at which time the Company would revise its estimates accordingly.

HCA Securities, Inc.

Notes to Financial Statements (continued)

2. Related Parties

At December 31, 2005 and 2004, cash and cash equivalents included \$2,755,624 and \$2,645,848, respectively, invested in the Harbor Money Market Fund for which Harbor Capital Advisors, Inc. is the investment advisor. Dividend income of \$74,774 and \$28,900 was earned on the related party investment in the years ended December 31, 2005 and 2004, respectively. The Company entered into a new expense sharing agreement with Harbor Capital Advisors, Inc. in 2004. The agreement calls for the Company to pay direct expenditures (regulatory filing fees, professional fees, insurance, memberships, etc.) related to the Company. Prior to January 1, 2004, those expenditures were paid by Harbor Capital Advisors, Inc. on the Company's behalf. Operating expenditures (postage, telephone, postage, photocopy, salaries of employees of Harbor Capital Advisors, Inc. who at any time perform work for the Company, etc.) of the Company are paid by Harbor Capital Advisors, Inc., who does not charge the Company for such expenditures. Operating expenditures paid by Harbor Capital Advisors, Inc. on behalf of the Company totaled \$5,552,699 and \$4,776,613 for the years ended December 31, 2005 and 2004, respectively.

3. Net Capital Requirements

The Company is subject to the net capital rules of the U.S. Securities and Exchange Commission and the states in which it conducts business. These rules prohibit a broker-dealer from engaging in any securities transaction at a time when its "aggregate indebtedness" exceeds fifteen times its "net capital," as those terms are defined by the rules. At December 31, 2005, under the most restrictive of these rules, the Company's required net capital was \$30,965 resulting in the Company having excess capital of \$2,328,697. The Company's ratio of aggregate indebtedness to net capital was 0.20 to 1.

Other Financial Information

Computation of Net Capital

1.	Total ownership equity from Statement of Financial Condition		2,751,173	
			[3480]	
2.	Deduct ownership equity not allowable for Net Capital			[3490]
3.	Total ownership equity qualified for Net Capital		2,751,173	[3500]
4.	Add:			
A.	Liabilities subordinated to claims of general creditors allowable in computation of net capital		0	[3520]
B.	Other (deductions) or allowable credits (List)			
		[3525A]	[3525B]	
		[3525C]	[3525D]	
		[3525E]	[3525F]	0
				[3525]
5.	Total capital and allowable subordinated liabilities		2,751,173	[3530]
6.	Deductions and/or charges:			
A.	Total nonallowable assets from Statement of Financial Condition (Notes B and C)	336,399		
		[3540]		
B.	Secured demand note deficiency			[3590]
C.	Commodity futures contracts and spot commodities – proprietary capital charges			[3600]
D.	Other deductions and/or charges		-336,399	
		[3610]	[3620]	
7.	Other additions and/or credits (List)			
		[3630A]	[3630B]	
		[3630C]	[3630D]	
		[3630E]	[3630F]	0
				[3630]

8.	Net capital before haircuts on securities positions			<u>2,414,774</u>
				[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f):			
A.	Contractual securities commitments			
			[3660]	
B.	Subordinated securities borrowings			
			[3670]	
C.	Trading and investment securities:			
1.	Exempted securities			
			[3735]	
2.	Debt securities			
			[3733]	
3.	Options			
			[3730]	
4.	Other securities			
			[3734]	
D.	Undue Concentration			
			[3650]	
E.	Other (List)			
	2% on Money Market Accounts		55,112	
		[3736A]	[3736B]	
		[3736C]	[3736D]	
		[3736E]	[3736F]	
				<u>-55,112</u>
			[3736]	[3740]
10.	Net Capital			<u>2,359,662</u>
				[3750]

Computation of Basic Net Capital Requirement

Part A

11. Minimum net capital required (6-2/3% of line 19)	30,965 [3756]
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note (A)</u>	25,000 [3758]
13. Net capital requirement (greater of line 11 or 12)	30,965 [3760]
14. Excess net capital (line 10 less 13)	2,328,697 [3770]
15. Excess net capital at 1000% (line 10 less 10% of line 19)	2,313,213 [3780]

Computation of Aggregate Indebtedness

16. Total A.I. liabilities from Statement of Financial Condition	464,484 [3790]
17. Add:	
A. Drafts for immediate credit	[3800]
B. Market value of securities borrowed for which no equivalent value is paid or credited	[3810]
C. Other unrecorded amounts (List)	
[3820A]	[3820B]
[3820C]	[3820D]
[3820E]	0 [3820F]
19. Total aggregate indebtedness	0 [3830]
20. Percentage of aggregate indebtedness to net capital (line 19/line 10)	464,484 [3840]
	% 20 [3850]

Other Ratios

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%
	0 [3860]

Exemptive Provisions Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

A.(k) (1)—**Limited business (mutual funds and/or variable annuities only)**



[4550]

B.(k) (2)(i)—**"Special Account for the Exclusive Benefit of customers" maintained**



[4560]

C.(k) (2)(ii)—**All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)**



[4570]

Clearing Firm SEC #s

Name

Product Code

8- [4335A]	_____	_____ [4335B]
8- [4335C]	_____	_____ [4335D]
8- [4335E]	_____	_____ [4335F]
8- [4335G]	_____	_____ [4335H]
8- [4335I]	_____	_____ [4335J]
	_____ [4335I2]	

D.(k) (3)—**Exempted by order of the Commission**



[4580]

Supplementary Report of Independent Registered Public Accounting
Firm on Internal Control Required by SEC Rule 17a-5

The Board of Directors
HCA Securities, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of HCA Securities, Inc. (the Company), for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e).

Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, and its operation that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, The National Association of Securities Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

January 19, 2006

Ernst & Young LLP